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At Least 67 Captives Die in Siege

MOSCOW — Russian troops crushed a 57-hour hostage siege in Moscow's heart early Saturday, ending a terrorist threat meant to overturn President Vladimir Putin's Chechnya war strategy and even his presidency. His iron response won acclaim, but the price — at least 67 dead hostages, and perhaps far more — could yet prove dear.

About 750 people were freed from two days' captivity in a cultural center after the dramatic predawn rescue, a whirlwind of explosions and gunfire from about 250 antiterrorist soldiers and police, along with clouds of disabling gas.

The government said 50 guerrillas were killed — 32 men and 18 women, many gunned down after government forces blew a hole in a wall and stormed the center's theater and nearby rooms at about 6:20 a.m. Two guerrillas were caught at the scene, and two more escaped but were later caught, the government said.

The Kremlin said all of the roughly 75 foreigners among the captives, including three Americans, survived, as did many children.

The government said that 67 hostages had died. But three Moscow news organizations, citing a Health Ministry source, put the true toll at more than 90.

Putin commanded national television for a brief address Saturday night in which he said Russia was battling "a strong and dangerous enemy, an inhumane and ruthless enemy" in the form of international terrorism.

"We achieved almost the impossible — we saved the lives of hundreds, yes, hundreds of people. We showed that Russia cannot be brought to her knees," he said.

The assault ended a two-day siege in which a band of 50 Chechen guerrillas, armed with weapons and explosives, threatened to kill their captives and themselves unless Putin agreed to end Russia's three-year effort to subdue separatist rebels in Chechnya and withdraw Russian troops from the rebellious province.

Putin had refused. His aides proclaimed the assault a daring military triumph and said no troops had died. Despite government denials, however, evidence mounted that many of the hostages had died not at the hands of their captors, but from the knockout gas.

News reports said a number of hostages had thrown up after inhaling the gas and then had fallen unconscious, choking on their vomit.

MICHAEL WINES

Teamwork and Luck Led to Sniper Suspects

WASHINGTON — With a loud crack and a blinding light of the SWAT team's disorienting but harmless "flash bang," the agents rushed the blue Chevrolet Caprice parked in rural Maryland. Within seconds, the agents pulled the two dazed occupants from the car at gunpoint and placed them under arrest.

The police had feared a bloody end to their 23-day manhunt. But the peaceful arrests of John A. Muhammad, a 41-year-old Army veteran, and his 17-year-old companion, John Lee Malvo, brought an abrupt coda to the investigation.

The two men who the police now say are the snipers, who had communicated by phone and letter with declarations like "Call me God," were discovered asleep at the wheel. Behind the front seat, the police say, detectives found a long white box holding a Bushmaster XM15. Ballistics evidence tied that rifle to 11 of the area's 13 sniper shootings.

Charles A. Moose, the police chief in Montgomery County, Md., said in an interview that police work takes teamwork and community support but almost always depends on chance.

"As police chief, I know you need a lot of luck," Moose said. "I'd like to think it's all skill and moxie and brains. But it's mostly luck."

Computer records showed that the police in his county, in Baltimore and in Washington had encountered the suspects' car on at least 10 occasions but did nothing; the car was legally owned, Muhammad had no criminal record that showed up in the database, and everyone was fixated on a white van.

The hunt became a vast mystery in which the police enlisted the support of the area's 5 million citizens and communicated with the killers in coded messages carried by the news media. Officials said they did not yet know whether the snipers heard any of their messages. Each of the five police statements to the killers was the product of discussion between Moose, Michael R. Bouchard of the Baltimore office of the Bureau of Alcohol, Tobacco and Firearms, and Gary M. Bald of the Baltimore office of the FBI.

"I'll talk to the devil himself to keep another person alive," Moose said.

DAVID JOHNSTON and DON VAN NATTA Jr.

WELLSTONE DEATH BRINGS NEW FOCUS TO SENATE BATTLES

WASHINGTON — The political disarray caused by the death of Sen. Paul Wellstone of Minnesota put a sharp new focus on the battle for control of the Senate, leaving grim strategists in both parties scrambling for their footing Saturday in a struggle that remains too close to call.

Even as Democrats searched for a stand-in for Wellstone, five other Senate contests from Colorado to New Hampshire were extremely close. Both parties have been assembling teams of election lawyers and bracing for a battle over the majority that they say could stretch beyond Election Day.

It is conceivable that the majority may not be settled until a runoff election in Louisiana in December. To avoid a runoff, Sen. Mary L. Landrieu, the Democratic incumbent, must win 50 percent of the vote on Nov. 5 in a race that includes three Republican challengers.

Aside from Minnesota, Democrats in two other Midwest contests face serious challenges: Sen. Tim Johnson in South Dakota and Sen. Jean Carnahan in Missouri.

Republicans are struggling to hold the seats of Sen. Wayne Allard in Colorado, Sen. Tim Hutchinson in Arkansas and Sen. Robert C. Smith in New Hampshire. Smith was defeated in a primary by John Sununu, who is now in a difficult battle with the Democratic governor, Jeanne Shaheen.

The race in Georgia has also tightened, with Max Cleland, the Democratic incumbent, battling to fend off a surge by Rep. Saxby Chambliss.

ALISON MITCHELL

France May Offer Separate Iraq Resolution

PARIS — In a bold diplomatic challenge to the United States, France announced Saturday that it may formally introduce its own resolution on disarming Iraq at the U.N. Security Council.

Foreign Minister Dominique de Villepin emphasized that France was willing to use the draft resolution formally presented to the full council by the United States on Wednesday as a basis for an agreement among the 15 members.

But if consensus cannot be reached on the U.S. draft, which France and Russia believe gives the United States too much leeway to start a war without further Security Council approval, then France would offer a competing resolution.

One French official said that U.S. diplomats were already indicating a willingness to make substantive changes in the U.S. draft. But a U.S. official said, "We've been very clear on having a tough resolution and we are not backing down."

De Villepin's comments, in an interview with Europe 1 radio, raise the pressure in what has been a nail-biting exercise in diplomacy.

In the Security Council on Friday, the United States pressed for rapid approval of the resolution. U.S. diplomats added to the pressure by threatening to call for a vote on the measure at any time, adding that Washington was not prepared to consider major changes to the draft or formally discuss anyone else's draft.

But France and Russia believe that the U.S. resolution is deeply flawed and has too many ambiguous references. France has been concerned that the United States might try to force a vote on the American resolution, putting Paris in the position of perhaps having to abstain or even use its veto.

A resolution in the Security Council needs nine yes votes for adoption and no veto from among its five permanent members: the United States, France, Russia, China and Britain. The last time France vetoed an American resolution at the United Nations was over the Suez crisis in 1956, and it is determined not to be faced with having to decide to vote against the United States on such a crucial matter.

ELAINE SCIOLINO

3 Nations Join to Put Pressure on North Korea

CABO SAN LUCAS, Mexico — The United States, Japan and South Korea issued a joint statement Saturday calling on North Korea to dismantle its nuclear weapons program "in a prompt and verifiable manner" and warned Kim Jong Il, North Korea's leader, that his "relations with the international community" hinged on his quick action.

The statement, issued after considerable behind-the-scenes diplomacy, stopped short of threatening the complete economic isolation of North Korea that the Bush administration has talked about in the last week. But Prime Minister Junichiro Koizumi of Japan, who traveled to North Korea to normalize relations just before the nuclear disclosure, warned Saturday that "normalization talks would not be concluded" until the nuclear issue was resolved. That was considered crucial by U.S. officials because Japan is the largest potential source of trade and investment for North Korea.

The statement came as President Vicente Fox of Mexico told President Bush Saturday that his country, which holds a pivotal vote on the Security Council, is still unwilling to give the United States broad latitude to strike at Saddam Hussein.

Fox's statement, at the end of a meeting with Bush just ahead of the opening of the annual summit meeting of the Asia-Pacific Economic Cooperation group, underscored the increasing concern within the White House that it might fail to assemble the votes needed to pass the kind of toughly worded Security Council resolution that Bush has been pressing for six weeks.

DAVID E. SANGER and TIM WEINER

Polls Say Leftist Will Easily Win Brazil's Presidency

RIO DE JANEIRO, Brazil — In the second and decisive round of Brazil's presidential election on Sunday, all signs indicate that Luiz Inacio Lula da Silva, the candidate of the left-wing Workers' Party, will coast to the victory that narrowly eluded him three weeks ago.

Three polls, taken before a campaign-ending televised debate late Friday night, show da Silva poised for the biggest landslide in Brazilian history. If the forecasts prove correct, da Silva, a 56-year-old former factory worker and labor leader, can expect to win by a margin of about two to one, with 30 million votes more than his opponent, Jose Serra of the centrist Brazilian Social Democratic Party.

Under Brazilian law, a runoff is required when no candidate wins a majority of the votes in an election. In the first round on Oct. 6, da Silva won 46 percent of the vote, compared with 23 percent for Serra, whose party has been in power for the last eight years, and just over 30 percent for two other candidates who have since thrown their support to da Silva.

LARRY ROHTER

WORLD BRIEFS

Rightist Confesses To Killing Lawmaker

TOKYO — The man accused of stabbing a liberal member of Parliament to death on Friday is a right-wing extremist with a record of arrests for assaulting members of leftist organizations, the police said. The man, Hakusui Ito, 48, a member of the Shukojuku, or Emperor Protection Corps, turned himself in Saturday and confessed to the attack on the member of Parliament, Koki Ishii. *(NYT)*

3 Dead in Hurricane

SAN BLAS, Mexico — Residents of San Blas on the Pacific Coast returned Saturday to find their houses devastated by a hurricane that slammed into the village. San Blas port took the heaviest hit as the storm, Hurricane Kenna, rammed Mexico's Pacific Coast on Friday, leaving three people dead. At least 42 people were injured in Puerto Vallarta. *(Reuters)*

Indonesia Seeks End to Travel Bans

CABO SAN LUCAS, Mexico — President Megawati Sukarnoputri of Indonesia asked Asian and Pacific leaders Saturday to end the travel bans and advisories imposed on her country after the bombing in Bali two weeks ago. She said the travel bans or warnings issued threatened enormous damage to her country's crucial tourist industry. *(Reuters)*

Iran Frees 3 Jews

TEHRAN, Iran — Iran has granted early release to three Jewish men convicted two years ago of spying for Israel, members of Jewish groups here said Saturday. The men's closed-door trial was condemned by Western governments and Jewish organizations. *(Reuters)*

Teenager's Troubling Bond in Chaotic Life

John Lee Malvo, 17, has spent much of his chaotic life in a swirl of ever-changing schools and addresses in the Caribbean and the United States.

Estranged from his father, Leslie Malvo, and temporarily abandoned by his mother, Una James, Malvo found someone else to look up to: John Allen Muhammad.

Muhammad, 41, twice divorced and estranged from his own children, is suspected in the sniper killings that terrorized the Washington area. He was arrested last week with Malvo.

How Malvo got to this point remains a mystery, but the answers may lie in the emerging details of his unsettled life.

There is no evidence to suggest Muhammad forced Malvo to join him on a multistate killing spree. Malvo's participation, some experts believe, may have been the result of a misguided search for parental guidance.

Malvo attended Spalding High School in Jamaica in 1997. Before that he attended York Castle High School, a Methodist school. At the time, school records list two women, neither his mother, as his guardians. Shortly after Malvo left Spalding, he and his mother moved to Antigua, where he enrolled in a Seventh-day Adventist school and, sometime in 1999 or 2000, met Muhammad.

James went to Muhammad for help in obtaining forged documents to get her into the United States. Soon thereafter, neighbors recall, Malvo moved into the one-room apartment where Muhammad lived with his three children, whom he had allegedly kidnapped from his first wife.

Malvo may have slipped Muhammad's grasp for a time last year, replacing him with another temporary father figure, Jeremiah Neal, his mother's new husband. The new family lived together in Fort Myers, Fla., but Malvo abruptly left in mid-October, around the same time Neal divorced his mother.

The young man soon showed up at a Bellingham, Wash., high school with no transcripts and no address. In December, James appeared at the school and tried to convince school officials that Muhammad had a dangerous grip on her son.

The mother and son were picked up by immigration officials and charged with being in the country illegally. Malvo was separated from his mother in detention, and after being released on bond, he rejoined Muhammad for what would be the start of their deadly journey eastward.

LYNETTE CLEMETSON

FBI Seizes Part Owner of Car Linked to Attacks

A missing man who helped buy the car believed to have been used in the sniper attacks was taken into custody in Michigan Saturday on a federal warrant listing him as a material witness against the two prime suspects.

The FBI said the man, Nathaniel O. Osbourne, 26, of Camden, N.J., was arrested in Flint, Mich., and would be questioned there about the suspects, John Allen Muhammad and John Lee Malvo.

An aspiring reggae singer who calls himself Thriller, Osbourne had been missing for much of the past week from his haunts in Camden, and had been sought since the suspects were seized early Thursday.

There was no indication that Osbourne was considered an accomplice in the shootings. But investigators said his contacts with Muhammad and Malvo may provide important insights on the suspects' movements and methods, and perhaps their motives.

Among the many questions investigators will presumably pose is why Osbourne dropped out of sight early last week, several days before the suspects were captured; how and when they had first met; and whether Muhammad and Malvo had been in contact with him during the shooting rampage. *(NYT)*

Mondale Associates Say He Is Likely to Agree to Run

WASHINGTON — Associates of Walter F. Mondale said Saturday that the former vice president was likely to agree to a growing call among Democrats here and in Minnesota to run for the Senate seat left vacant by the death on Friday of Sen. Paul Wellstone.

Mondale's friends said the Minnesota Democrat, who was Jimmy Carter's vice president, had not decided, and would wait until after the funeral or memorial services before doing so. Mike Berman, a political associate for nearly 40 years, said, "He was just so sad when I talked to him."

But the friends suggested that the coinciding of the party's urgent political need with Mondale's longstanding affection for the Senate would result in him re-entering politics at 74.

Democratic leaders said they were proceeding gingerly in trying to negotiate the replacement of Wellstone on the ballot. "For this to work, it has to feel — and in fact be — nonpolitical," said one senior Democratic strategist. "It has to be seen as a continuation of the Wellstone movement." *(NYT)*

NATION BRIEFS

Women Are Accused Of Pyramid Scheme

SACRAMENTO, Calif. — Eight women have been charged with fraud in what the authorities say was a $12 million pyramid scheme in which women were invited to parties in beauty salons and homes and promised the opportunity to help their community and make money for themselves. The network, called Women Helping Women, held parties featuring a "birthday girl" who would receive up to $40,000 from the participants, each of whom had donated up to $5,000 to get in and was counting on eventually celebrating her own "birthday." For many women, the party never came. *(AP)*

Gun Historian Resigns

ATLANTA — Michael A. Bellesiles, an Emory University professor, has resigned after an academic panel released a report critical of his research for a widely debated book, "Arming America: The Origins of a National Gun Culture." The book contended that early Americans did not own or use firearms in great numbers. Those who tried to examine the research could not verify his assertions. *(AP)*

Protest Against War

WASHINGTON — Thousands of protesters marched through Washington's streets Saturday, chanting and waving banners against possible military action against Iraq. The rally was one of several held in U.S. and foreign cities. *(NYT)*

Mistrial in Miami

MIAMI — After jurors failed to reach a verdict, a judge declared a mistrial on Friday in the case of four police officers accused of beating a handcuffed suspect in 1997. *(AP)*

Debbie's Doing New York Now

NEW YORK — Pornography isn't just for dirty old men anymore. The movies that used to be shown in seedy Times Square theaters are now under bright lights at the Museum of Sex on Fifth Avenue. "Auto Focus," Paul Schrader's biopic about the actor Bob Crane, who filmed his own sex life, is playing in a number of local movie houses. And Elaine May's forthcoming comedy, "Adult Entertainment," which opens on Dec. 2 at the Variety Arts Theater, is about a group of actors who want to make a porn movie with class.

"People just take porn in stride these days," said Marc Spitz, a senior writer at Spin magazine and the author of his own porn script, which was turned into a play titled "Shyness Is Nice" and staged at Westbeth last year. "There's nothing dangerous about sex anymore."

The latest example of porn-gone-mainstream is the camp stage adaptation of the 1978 adult film "Debbie Does Dallas." A staple at stag parties and frat houses, this porn classic tells the story of a group of perky high school girls who perform "teen services" to earn enough money to go to Dallas and become professional cheerleaders. "Debbie Does Dallas" is one of the highest-grossing pornographic films of all time, and it has spawned an industry of sequels and spinoffs.

But the new off-Broadway musical version opening on Tuesday at the Jane Street Theater must be the most unlikely "Debbie" yet. Its nudity consists of one bare male bottom. There is no cursing and its sex scenes are only slightly more raunchy than what appears on network television. Finally, porn you can take your grandmother to.

Why has the subject of pornography become so ubiquitous? The director of "Debbie Does Dallas," Erica Schmidt, 26, has a theory. "Beckett said that after the atom bomb went off, what's funny was 'Waiting for Godot,'" Schmidt said recently. "I feel like after Monica Lewinsky, when everything private is now public, porn is what's funny."

Susan L. Schwartz, who conceived the show, which got its start at the 2001 New York International Fringe Festival, said the stage version would not have been accepted two decades ago. "Porn is normal now," said Schwartz.

Schmidt said, "'Debbie' is funny and innocent, and she's always saying, 'We're good girls.' I thought it was the most palatable porn."

"Debbie Does Dallas," Schmidt said, is "the American story about pulling yourself up by the bootstraps."

"The question is," she continued, "if Debbie gives up her virginity in order to go to Dallas, will it be worth it? Do the ends justify the means? Ideally, the audience will have a great time, but it will also be left thinking about that."

JASON ZINOMAN

This Farm Is Lush but No Sunnybrook

Hillary Birmingham doesn't like farm movies — too sentimental. Birmingham, who grew up outside Boston, is no great fan of cows, either — too scary. "Put a couple of them together, they're *huge*," she says.

Nevertheless, she has set her first film, "Tully," opening Friday, amid the vast green and gold acreage of a Nebraska dairy farm. And one of the movie's most inspired visuals is a night scene in which a herd of black and white cattle amble out of the dark like blundering ghosts, bringing the title character's pickup truck to a standstill (along with his attempted seduction of the pretty young veterinarian who's riding with him).

Adapted from a prize-winning 1992 short story by Tom McNeal, "Tully" is a film about love and injury, a drama about two young men and their father and the way the loss of the wife and mother who left them long ago threatens to stunt their lives. You can tell it isn't a farm movie because its characters aren't any nobler or more innocent than their urban counterparts.

The attractive Tully (Anson Mount) shows signs of becoming a womanizing jerk; his taciturn father (Bob Burrus) is so alarmingly remote that you feel like giving him a kick. Birmingham, 35, jokes that she set her modestly budgeted movie in the country "to get the free beauty."

She succeeds; "Tully" has late-summer lushness to spare. But Birmingham and her cameraman, John Foster, uncover the real secret of living close to nature, which is that nature returns the favor less with prelapsarian serenity than with a fecund riot of oddities and surprises. These may be droll or terrible, or, as Birmingham discovered while shooting that night scene, a bit of both: "I ran away from those cows screaming." She laughs. "Then somebody who knew better just said, 'Stop, and they'll stop.' And they did."

KAREN DURBIN

A Jazz Trio Finds A Jam Band Following

Since forming in 1991, Medeski, Martin and Wood has been quietly pushing toward the frontiers of jazz. At heart the group is a Hammond B-3 organ-based trio of the sort that has been around in jazz for at least 50 years, featuring the extended keyboard improvisations of John Medeski, the jagged bass grooves of Chris Wood and the rollicking backbeats of the drummer Billy Martin. Its music is shaped by a range of influences from DJ Logic to Sun Ra, John Coltrane to Sly Stone, John Cage to the Meters.

The eclectic nature of the group's music may help explain why its concerts are often sold out and its albums typically sell 200,000 copies worldwide. Young listeners more attuned to rock hear jam-band sounds in the group's improvisations, while jazz fans are reminded of the organ trios led by Jimmy Smith and Big John Patton in the '50s and '60s.

"We're a bit like a Rorschach test," said Wood. "We're different things to different people."

Critics have largely dismissed the band's music, one calling it "racket happy spaceprov," referring to the spacey feel of the group's free-form improvisations. Nor has it played New York regularly, a showcase that is generally considered essential to advancing a career in jazz. A notable exception has been the Halloween concerts it has put on at the Beacon Theater the last two years. After two sellouts at that 2,500-seat theater, the concert this year will be held at the Hammerstein Ballroom (capacity 3,450).

The band members attribute much of their success to the musical cohesion they have developed after playing together for 10 years. Medeski, 37, and Wood, 32, were both classically trained at the New England Conservatory, while Martin, 39, studied under the drummers Joe Morello and Bob Moses. The threesome started out on the downtown scene in New York and released their first album, "Notes From the Underground," in 1992.

On the road, Medeski said the band's connection with audiences was immediate. In 1997, the band was signed by a major label, Blue Note.

"Jazz used to be about breaking boundaries, not creating them," Medeski asserts. "Once you reduce things by codifying them, everything starts sounding the same."

STUART NICHOLSON

With Earnings, It's the Quality, Not Quantity

MARKET WATCH

More than half the companies in the Standard & Poor's 500-stock index have reported their third-quarter earnings, and investors are surely relieved that only 14 percent of them fell short of forecasts. According to First Call, that is a slightly better performance than usual.

But while actual earnings may be recovering, earnings quality remains iffy at certain companies. As a result, investors who focus on one figure miss warning signs evident elsewhere in the financial statements.

Ramu Thiagarajan, director of investment research and active strategies at Mellon Capital Management, obsesses about earnings quality. Responsible for all stock-selection research at Mellon, he watches for deterioration that can signal future mishaps at companies. For example, he said, he spotted trouble in financial reports of Enron 10 months before it blew up. "There were quite a few red flags on the financials: gross margins were declining, interest coverage was getting worse, return on sales was deteriorating."

Several companies look vulnerable to Thiagarajan. One is Circuit City, the electronics retailer whose stock is now at $10.39, down 40 percent this year. The trouble shows up when comparing the company's tepid sales growth with the greater increases in both its inventories and accounts receivable in the recent quarter.

Another caution light is blinking at King Pharmaceuticals, a maker of prescription drugs. Although its shares have fallen 60 percent this year, Thiagarajan said the stock might decline further, in part because the company shows a worrisome increase in inventories and accounts receivables.

Shares of Pulte Homes gained 3.9 percent this year, but Thiagarajan said its inventories were also outpacing sales significantly. Interest expense has almost doubled at the company, compared with only 54 percent growth in earnings before interest, taxes, depreciation and amortization.

Companies with high-quality earnings, in his view, are H&R Block, Forest Laboratories and Lockheed Martin.

GRETCHEN MORGENSON

A Rich Dollar Sustains Imbalances in the World

The economy is stumbling. Americans continue to spend far more than they produce, causing the trade deficit to widen to a record annual gap of almost $400 billion. Interest rates are at lows not seen in decades, and the stock market still seems like a risky place to invest.

A perfect prescription, by anyone's standard, for a currency to weaken. And, indeed, for the first half of the year, that is exactly what was happening.

So why is the dollar going up these days? Because just about every other area of the global economy is doing even worse.

"You have to look at the alternatives," said Kermit L. Schoenholtz, Salomon Smith Barney's chief global economist. "What other markets are giving a better risk-adjusted return? None in particular. The dollar wins by default."

This may seem fine, but consider the downside of a robust dollar. For one, U.S. manufacturers are forced to bear the brunt of a competitive onslaught from less-expensive foreign goods. There is no doubt that exports have suffered and that jobs have been lost.

The failure of the dollar to fall more in line with its fundamentals risks doing damage to the global economy.

It is desirable for the U.S. dollar to depreciate because of the global economy's overdependence on the U.S. consumer. "The world is too content to allow America to provide the bulk of demand," said Stephen Roach, chief economist at Morgan Stanley. "In a shaky world, that's a dangerous position to be in."

The United States has about a 21 percent share of the global economy, but it has accounted for fully 40 percent of the real growth that has occurred since 1995.

"The world economy needs a global rebalancing," Roach said. "That's not a popular message either here or abroad." *TOM REDBURN*

Job Expenses May Add to Debt for Women, Study Says

Young women are more likely than men the same age to incur debt, and they often have career-related expenses to blame, a study released last week suggests.

The Consolidated Credit Counseling Services, a nonprofit group based in Fort Lauderdale, Fla., said it had examined the financial records of more than 40,000 clients nationwide and found a pattern: that single women aged 18 to 25 seek help in greater numbers than their male counterparts.

One reason for the disparity, it said, was the amount of money that women spend on clothing for work.

But Howard Dvorkin, president of Consolidated Credit, said pay inequities might also contribute to the debt problems of some young women. He noted that women, on average, still earned less than men who performed the same job.

"When someone earns less and spends more, then the outcome will be debt," he said. *VIVIAN MARINO*

The Markets Last Week

Dow	8,443.99 ▲	121.59
Nasdaq	1,331.13 ▲	43.27
10 yr. Treasury yield	4.09 ▼	0.02
The euro in dollars	0.9768 ▲	0.0050
The dollar in yen	124.23 ▼	1.30

BUSINESS BRIEFS

Air France Strike Off

PARIS — Air France reached an agreement with the National Union of Airline Pilots on Saturday that will stave off a four-day strike the union had called for next weekend. The union had threatened to press demands for higher pay by staying off the job Nov. 1-4, which is a holiday weekend in France. *(AP)*

Rare Book Prices Up

NEW YORK — Well into the electronic age, prices of rare manuscripts and books are skyrocketing as collectors seek to literally hold on to the written word. Rare, however, need not mean ancient or even vintage. Harry Potter books are worth up to $10,000, if it is the hard-to-find 1998 first British edition of "Harry Potter and the Philosopher's Stone," in mint condition. *(Reuters)*

Microsoft Apology

NEW YORK — Microsoft Corp. apologized to New York City for blanketing public property on Thursday with hundreds of butterfly decals used to promote the company's new MSN 8 Internet service. The city had immediately demanded an end to the illegal guerrilla advertising campaign. *(AP)*

Jack in the Box Stores

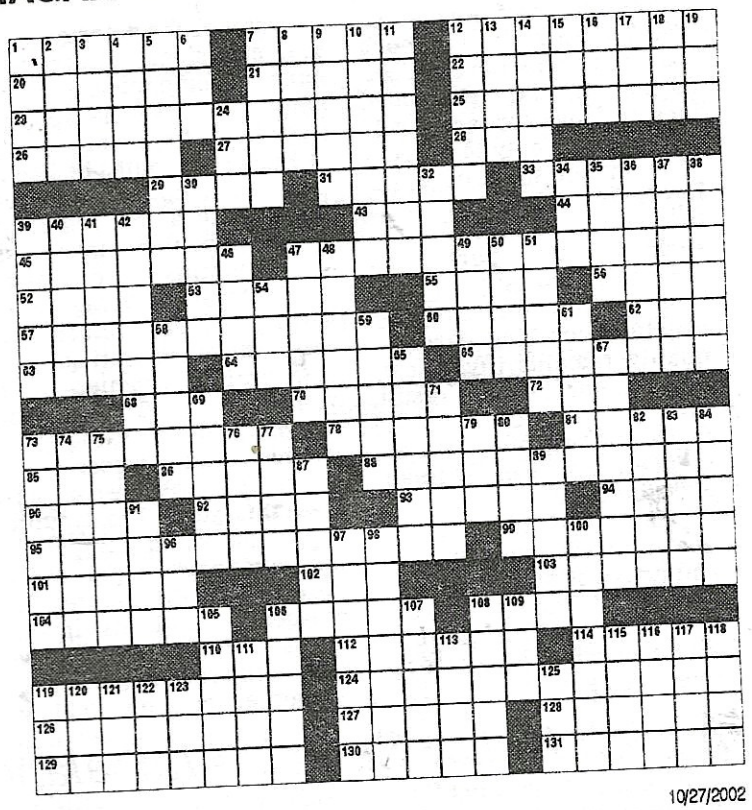
SAN DIEGO — Jack in the Box will open a string of convenience stores and gas stations nationwide to accompany its fast-food restaurants. The company plans to open eight stores in fiscal 2003. *(AP)*

CROSSWORD — Edited by Will Shortz

THE NEW YORK TIMES SUNDAY MAGAZINE CROSSWORD PUZZLE

HALLOWEENLAND...

BY NANCY NICHOLSON JOLINE / EDITED BY WILL SHORTZ



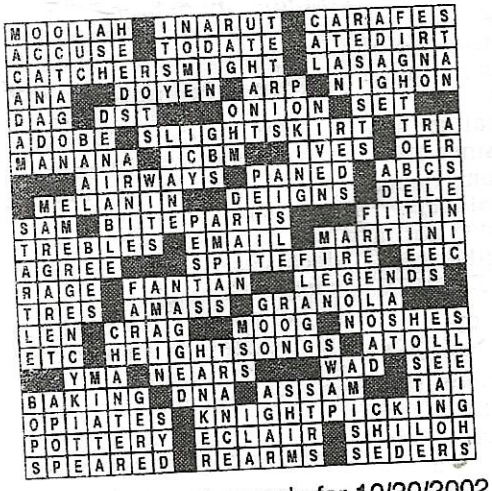
10/27/2002

ACROSS

1 Clout
7 Enterprise officer
12 Actor born Alphonso D'Abruzzo
20 Neil Armstrong or John Glenn
21 St. Anthony of ___
22 Like a junkyard car
23 ... biographical best seller?
25 ... TV show?
26 Sends
27 One way to sit
28 Powerful advocacy grp.
29 Medical suffix
31 1978 Peace Nobelist
33 Winston Cup org.
39 "For shame!"
43 Barbecue offering
44 Irritating sound
45 Like some foreign films
47 ... comic strip character?
52 Detective, at times
53 Break international agreements, maybe
55 Exclusive
56 It's related
57 ... song by Billy Joel?
60 Large swallows
62 Retreat
63 Fast writer
64 Showed disrespect
66 Scenic area, often
68 Caesar, e.g.: Abbr.
70 No-___ (gnat)
72 Vote in Vichy
73 Onetime prominent South African couple
78 Riot
81 VCR button
85 Prefix with catastrophe
86 Congressional measure of 1993
88 ... school official?
90 Hearts
92 Commercial suffix with Jumbo
93 Supercilious look
94 Raced
95 ... media job?
99 Folgers alternative
101 Didn't go to a restaurant
102 John
103 Called
104 "I before E" rule, e.g.
106 Shades
108 Word said just before opening the eyes
110 Ballad ending
112 2004 Olympics locale
114 Three-time Super Bowl site
119 ... city?
124 ... sport?
126 Like some confrontations
127 Prefix with -pathy
128 Unification Church member
129 Sprays
130 Painting surface
131 Hammer of note

DOWN

1 Suburban political force
2 "No sirree"
3 ___ Valley, city near L.A.
4 Freebie
5 Decks, as an opponent
6 ___-all
7 Boxes
8 Whittle (down)
9 "The Country Girl" playwright
10 Pie that may be an eyeful?
11 Late summer singer
12 Ready to swing
13 Neeson of "Rob Roy"
14 Nordic
15 "What's ___?"
16 2001 Will Smith role
17 Court call
18 Mil. award
19 Neutral shade
24 Prefix with gram
30 Rear
32 Chasm
34 Hole-maker
35 In bad condition
36 Harvest fly
37 Hocks : horses :: ___ : humans
38 "I ___ that!"
39 People might go for a spin in them
40 Not fitting
41 Like a sunset at the end of a movie
42 Like eagles and owls
46 M.D. and Ph.D.
47 Refuse
48 Diverts
49 Sends, in a way
50 Sam Shepard's "___ of the Mind"
51 Reagan's first Treasury secretary
54 "Clever me!"
58 Word on a door
59 Sponge
61 What a 93-Across expresses
65 Pressure
67 Tepid rating
69 She wrote "Dying / Is an art, like everything else"
71 Foreordained
73 Kind of block
74 Pointed
75 Court figures
76 Big top?
77 Pack
79 Suffix with stock
80 Strasbourg ladies: Abbr.
82 Attack
83 Goosebump-raising
84 Pollster's determination
87 White, informally
89 Harangue
91 Cross-country ___
96 ___-Cat
97 Abject
98 Make hackneyed
100 Monopoly avenue
105 Swell
106 Cashew and citron
107 Offshoots
108 Blessing prompter
109 Give-hand connection
111 Organic compound
113 Manages, with "out"
115 Jot
116 "Dracula" girl
117 Nabokov novel
118 Like some cheeses
119 Penn., for one
120 "Ulalume" poet
121 "Star-Spangled Banner" preposition
122 Siouan speaker
123 Flattens, for short
125 Ethan's co-star in "Gattaca," 1997



Answer to puzzle for 10/20/2002

Answers to this puzzle will appear in next Sunday's TimesDigest, and in next Sunday's New York Times. You can get answers to any clue by touch-tone phone: 1-900-884-CLUE ($1.20 per minute).

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Volponi Shocks Racing With Breeders' Cup Win

ARLINGTON HEIGHTS, Ill. — In 1942, P.G. Johnson decided to get in the horse business and put up $75 for an undernourished colt named Song Master who had just survived a fire in a barn near the Chicago stockyards. It was the 77-year-old Hall of Fame trainer who burned his old hometown down Saturday when his colt Volponi, sent off at impossible odds of 44-1, buried 11 others with an emphatic six and half-length victory in the $4 million Breeders' Cup Classic.

A shocker? Heck no, insisted Johnson, who had a twinkle in his eye when he explained that Volponi in Italian meant "sly old fox."

It was a fitting, and for some lucrative, conclusion to a World Thoroughbred Championships day that saw the females among the world's international superstars live up to gaudy reputations.

Azeri won in the $1.8 million Distaff. In the $1 million Juvenile Fillies, Storm Flag Flying won as an odds on favorite. Domedriver won the $1 million mile. Orientate won the $1 million Sprint. Starine won the $1 million Fillies and Mares Turf. Vindication won in the $1 million Juvenile. High Chaparral was the winner of the $2 million Turf.

By the time the Classic capped the day there was a feeling that the unexpected could visit Arlington Park.

War Emblem, Medaglia d'Oro and Evening Attire were sent of as the favorites in the mile and a quarter race. War Emblem never got the lead, quit at the mile mark, and finished 8th. Evening Attire trailed the field in 11th place and finished fourth.

This left Volponi, a colt whose last victory was in July on the turf, as the last horse running and intent on passing Medaglia d'Oro. At the apex of the turn, Jose Santos gunned the colt and took aim at his rival.

"As soon as I called on the horse, he came running," said Santos.

Did he ever, bolting through the hole, gaining momentum along the rail and leaving Medaglia d'Oro in his wake.

"I'm not surprised at all," the jockey said. "I told my wife three days ago that he was going to win."

JOE DRAPE

This Time Notre Dame Turns Over Florida State

TALLAHASSEE, Fla. — Notre Dame made its boldest statement for playing in the national championship game this season when it embarrassed Florida State on Saturday in the Seminoles' home stadium.

The Irish used their defense to set the game's tone and pulled away in the third quarter for a 34-24 victory before a record crowd of 84,106 at Doak Campbell Stadium, where Florida State had lost only four of its previous 89 games.

Notre Dame (8-0), which entered the game with 78 points off turnovers, added another 17 to that total by recovering four turnovers on Saturday. The Irish hope to improve their third-place ranking in the Bowl Championship Series.

Notre Dame's offense has played conservatively this season in deference to a defense that starts seven seniors and is in the nation's top 10 in four major categories. But on Saturday it showed flashes of long-striking ability. In fact, running back Ryan Grant effectively ended any faint hope the Seminoles had of a comeback with a 31-yard scoring run with 10 minutes 14 seconds to play. He finished with 95 yards and two touchdowns on 20 carries.

Florida State (5-3) scored two late touchdowns, including one on a reception by Nick Maddox with 12 seconds left, but it was too late.

Notre Dame has four games left in the regular season. *CHARLIE NOBLES*

SPORTS BRIEFS

Watson Shares Lead

OKLAHOMA CITY — Tom Watson used an eagle and excellent putting to shoot a 6-under-par 66 Saturday and take a share of the lead after three rounds of the Senior Tour Championship. Watson and Gil Morgan were each at 9-under 207 going into Sunday's final round of the season-ending event. Hale Irwin and Fuzzy Zoeller were three back at 210. *(AP)*

Lakers and Kings Brawl

In an exhibition finale marked by a brawl between Los Angeles' Rick Fox and Sacramento's Doug Christie, the visiting Kings beat the Lakers by 93-88 Friday night to intensify the friction between the Western Conference rivals. Fox and Christie fought in the tunnel leading to the locker room after they were ejected early in the first quarter. They scuffled after Fox fouled Christie in the first quarter. *(AP)*

COLLEGE FOOTBALL

No. 1 Miami 40, West Virginia 23
No. 3 Virginia Tech 20, Temple 10
No. 4 Ohio State 13, No. 18 Penn State 7
No. 5 Georgia 52, Kentucky 24
No. 6 Notre Dame 34, No. 11 Florida State 24
No. 7 Texas 21, No. 17 Iowa State 10
No. 10 LSU lost to Auburn 31-7
No. 12 North Carolina State 38, Clemson 6
No. 13 Iowa 34, No. 8 Michigan 9
No. 15 Southern California 44, No. 14 Oregon 33
No. 20 Kansas State 44, Baylor 10
No. 21 Colorado 37, Texas Tech 13
No. 22 Air Force lost to Wyoming 24-26

WEATHER

High/low temperatures for the 21 hours ended at 4 p.m. yesterday, Eastern time, and precipitation (in inches) for the 18 hours ended at 1 p.m. yesterday. Expected conditions for today and tomorrow.

Weather conditions: C-clouds, F-fog, H-haze, I-ice, PC-partly cloudy,R-rain, S-sun, Sh-showers, Sn-snow, SS-snow showers, T-thunderstorms, Tr-trace, W-windy.

U.S. CITIES

	Yesterday		Today		Tomorrow	
Atlanta	67/57	0	63/60	R	66/58	R
Albuquerque	60/45	0	63/43	PC	60/40	PC
Boise	53/34	0	59/34	S	57/36	S
Boston	54/45	0.95	58/45	W	52/41	S
Buffalo	48/44	0.27	48/40	C	45/36	C
Charlotte	66/52	0.04	68/56	C	60/55	R
Chicago	46/45	0	50/36	PC	46/39	C
Cleveland	50/48	0.07	50/40	C	50/35	C
Dallas-Ft. Worth	61/51	0	64/54	T	67/56	T
Denver	57/30	0	50/36	C	59/32	PC
Detroit	50/43	0.06	49/38	C	46/34	C
Houston	68/66	0.07	70/64	C	70/62	T
Kansas City	45/42	0	51/40	C	53/42	C
Los Angeles	63/55	0.01	69/54	C	74/54	PC
Miami	88/75	0	88/75	PC	88/76	PC
Minn.-St. Paul	43/37	0	42/29	C	42/34	C
New York City	58/48	1.17	60/49	S	56/46	PC
Orlando	87/70	0	88/68	PC	89/69	PC
Philadelphia	63/51	1.14	62/48	S	57/43	PC
Phoenix	72/62	0	73/58	PC	77/55	C
Salt Lake City	56/39	0	58/38	PC	56/35	C
San Francisco	59/52	0	68/52	S	66/49	S
Seattle	46/44	0	54/40	Sh	57/47	Sh
St. Louis	52/47	0.03	56/42	PC	54/46	C
Washington	68/52	0.91	64/51	S	54/45	PC

FOREIGN CITIES

	Yesterday		Today		Tomorrow	
Acapulco	90/77	0	84/73	T	86/71	PC
Athens	73/57	0	71/57	PC	68/55	S
Beijing	49/32	0.08	39/29	PC	46/24	PC
Berlin	55/48	0.47	49/44	R	52/43	Sh
Buenos Aires	73/63	0	72/49	Sh	69/50	T
Cairo	87/66	0	83/66	S	82/65	PC
Cape Town	69/57	0	70/50	PC	68/51	PC
Dublin	53/43	0.11	55/44	Sh	55/41	PC
Geneva	66/46	0.08	55/44	Sh	54/41	S
Hong Kong	85/73	Tr	82/64	PC	79/63	PC
Kingston	93/79	0	89/78	PC	89/77	PC
Lima	68/61	0	65/61	PC	64/59	PC
London	58/48	0.27	57/45	Sh	55/42	PC
Madrid	65/48	0	72/46	PC	69/49	PC
Mexico City	75/55	0	72/57	PC	73/56	PC
Montreal	42/36	0.10	46/33	C	42/27	Sh
Nassau	89/75	0	88/77	PC	87/76	PC
Paris	62/52	0.59	61/48	Sh	57/43	PC
Prague	55/45	0.35	50/38	Sh	56/37	Sh
Rio de Janeiro	89/73	0	79/69	T	81/66	PC
Rome	71/59	0	73/59	S	69/58	PC
Santiago	62/50	0	67/49	S	70/47	S
Santo Domingo	90/75	0	87/74	PC	88/73	PC
Stockholm	48/45	Tr	44/43	Sh	44/34	Sh
Sydney	65/55	0	68/57	S	67/53	PC
Tokyo	59/57	0.02	58/55	PC	62/46	PC
Toronto	49/37	0.43	45/36	C	43/36	PC
Vancouver	49/46	0	50/46	C	52/41	PC
Warsaw	55/43	0.20	47/43	R	47/40	R

EDITORIALS OF THE TIMES

George Pataki for Governor

Third terms are seldom a good idea for mayors or governors or any elected chief executive. The energy that comes with your administration's early years is long gone, and your enemies have figured out your weak spots. In the case of New York's governor, George Pataki, there have been enough disappointments and broken promises over the last eight years to make the voters prefer an alternative. But having looked at the available options, we believe that Pataki is the best choice available this Nov. 5.

Pataki has a bad habit of hiring friends or contributors or political cronies. On his watch, state programs for housing the mentally ill have left some of the most helpless New Yorkers in sometimes shocking conditions. He has also been too secretive — about his speechmaking honorariums, his fund-raising and even his legislative agenda. He allowed the Legislature to impose a new redistricting plan that seems guaranteed to maintain the current dreadful status quo in Albany for another decade. Worse, he failed to demand that the Legislature accept any serious reform measures in return for his capitulation.

There is no way that kind of record can make us euphoric about the idea of four more years of the Pataki administration. However, over the past eight years, the governor has scored accomplishments that have convinced us that in this field he is the man most likely to steer a sensible course through the troubled times ahead. He is best known for his achievements on the environment, but he has also done a good job of easing the burdens on the elderly and on the state's small businesses. We appreciate his generally progressive stance on social issues. While we have argued with some of Pataki's fiscal policies in the past, overall he has been a generally sensible steward of the public's money.

Pataki has disappointed us frequently in the past, but within the available field, he strikes us as the best bet. For Pataki, the third term could be the one when he finally sets things right.

A Delicate Balance at the U.N.

Last month President Bush stood before the U.N. General Assembly and offered to work with the Security Council to disarm Iraq. He has lived up to that promise, and last week the Americans submitted a resolution to the Security Council that, perhaps with minor alterations, deserves the support of all 15 members.

The resolution warns of "serious consequences" from Iraqi violations, less explicit than the earlier "all necessary means" language. Washington has resisted a French proposal that if the inspections fail, the council would have to pass another resolution permitting the use of force. It has, however, agreed to call another meeting of the Security Council at that point. We trust that the administration will take this second stage of consultation seriously.

Equally, Washington needs assurance that others are not using negotiations as an excuse to sidestep confrontation with Iraq. The aim of the resolution is to give Iraq one last chance for peaceful disarmament, and to preserve the legitimacy of the United Nations.

In his speech last month, Bush rightly challenged the United Nations to demonstrate that it had resolve and relevance. The resolution on the table helps further that cause. It gives Iraq 30 days to present a full declaration of all aspects of its chemical, biological and nuclear weapons programs. At the same time, it obliges Iraq to provide immediate and unconditional access to all sites chosen by the inspectors.

Hans Blix, the chief weapons inspector, will address the council on Monday. If this resolution, or something close to it, gets the support it deserves, we will finally be in a position to deal with the Iraqi threat through serious arms inspections and disarmament demands that are backed by an international commitment to make Iraq comply.

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THOMAS L. FRIEDMAN

There Is Hope

MANAMA, Bahrain — There is nothing more beautiful than watching people get to vote in a free election for the first time — particularly in the Arab world, where elections have been so rare. That's what happened in Bahrain Thursday, as this tiny island nation off the east coast of Saudi Arabia voted for a parliament that will, for the first time, get to share some decision-making with Bahrain's progressive king, Sheik Hamad bin Isa al-Khalifa.

This is the first election ever in the Arab gulf region where women were allowed to run and vote.

It's true that Bahrain's young king has been planning this transition to a constitutional monarchy for several years, as part of a move to spur economic growth and overcome Bahrain's legacy of Sunni-Shiite tension. He prepared the way by releasing all political prisoners, inviting exiles home, loosening reins on the press and repealing laws permitting arbitrary arrests. Nevertheless, this election is about something larger than Bahrain. It is about how the Arab world confronts the forces that produced 9/11 — and all of Bahrain's neighbors, like Saudi Arabia, are watching.

What the more enlightened Arab leaders understand today is that with the mounting pressure of globalization, population explosions and dwindling oil revenues, their long acceptance of political and economic stagnation is becoming unsustainable. While the first big explosion happened in New York City, these regimes know that unless they get their houses in order, and on a more democratic track, the next explosion will be on their doorsteps.

The Bush team needs to pay attention to the Bahrain experiment, because it is a mini-version of what nation-building in Iraq would require.

By electing one house of parliament and appointing another, the Bahraini king is taking the first tentative steps to both share decision-making and nurture a political culture in which the country will not be able to move forward without the new lawmakers' building coalitions across ethnic lines.

Bahrain took a small step last week toward giving its people ownership over their own country, and one can only hope they will take responsibility for improving it. Nothing could help this region more. There is hope.